


STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

April 15-16, 2019

To: Chairman and Members, Hawaiian Homes Commission
Thru: Andrew Choy, Acting Planning Program Manager
From: Julie-Ann Cachola, Planner 
Subject: G-2 Acceptance of the Beneficiary Consultation Report
for the Kalaeloa Solar Energy Project Proposed by
Innergex Renewables USA LLC, at Kalaeloa, Oahu

RECOMMENDED ACTION

That the Hawaiian Homes Commission (HHC) accept this report as the official record of the information disseminated on the Kalaeloa Solar Energy Project and beneficiary questions and comments raised in response.

DISCUSSION

Introduction

In December 2018, DHHL issued a solicitation for renewable energy projects at Kalaeloa, O'ahu. In January 2019, four competitive proposals were submitted for Kalaeloa. One proposal was disqualified because the developer did not meet the definition of a renewable energy producer. The three remaining proposals were evaluated and scored. The top ranked project was a solar energy project proposed by Innergex Renewables USA LLC.

Following the selection of a renewable energy developer, the Planning Office conducted a Beneficiary Consultation meeting at the Kapolei Middle School on March 21, 2019. The DHHL and Innergex presented background information about renewable energy and Innergex's proposed solar energy project at Kalaeloa. Beneficiaries shared their concerns and raised questions which were answered by Innergex or DHHL. This submittal provides a record of that beneficiary consultation meeting.

Notification

On March 4, 2019 DHHL mailed invitation letters (**Exhibit A**) to 1,453 Lessees and Applicants that reside in the Kapolei (96707) area, which is the area where the proposed project is located. The letter invited beneficiaries to attend a beneficiary consultation meeting at the Kapolei Middle School on Thursday, March 21, 2019 from 6:00 p.m. to 8:00 p.m. to get information and provide comments on Innergex's Proposed Solar Energy Project at Kalaeloa.

Beneficiary Consultation Meeting

Ten(10) beneficiaries participated in the consultation meeting and one (1) beneficiary emailed written comments (**Exhibit B**). Two (2) Innergex representatives and four (4) DHHL staff from the Chairman's Office, the Land Management Division, and the Planning Office were also present. All attendees received a handout containing all presentation slides(**Exhibit C**), an informational brochure about Innergex (**Exhibit D**) and a blank sheet for comments.

Purpose of the Meeting

The Department's presenter, Julie-Ann Cachola, from DHHL's Planning Office made introductions and explained that the purpose of the beneficiary consultation meeting, was to provide beneficiaries with information on the proposed project, to answer their questions and to record their concerns. More specifically, the meeting was to:

1. Provide background information about Kalaeloa and renewable energy
 - Why was a solar energy project being proposed at Kalaeloa?
 - Why was DHHL getting involved in renewable energy at this time?
2. Provide Innergex the opportunity to present their proposed solar project to beneficiaries who reside in the area.
3. Provide beneficiaries the opportunity to ask questions and articulate their concerns directly to Innergex.
4. Explain upcoming activities and next steps related to the project.

About Kalaeloa

Relevant background information on Kalaeloa was presented:

*The Demand
for
Renewable
Energy*

1. DHHL has 555 acres in Kalaeloa.
2. The lands are designated for Industrial uses.
3. The current focus is on the Eastern parcels.
4. There are large concrete bunkers and revetments that reduces the area that can be used to generate electricity from solar panels.

Relevant background information on renewable energy was also presented:

1. The State Legislature establishes Renewable Portfolio Standards (RPS) which requires a specified percentage of the electricity that utilities sell that must come from renewable energy resources. By the year 2020, the utility needs to produce at least 30% of its electricity from renewable energy resources.
2. In its 2017-2018 Sustainability Report, the Hawaiian Electric Company reported that they were on-track to meet the 2020 RPS as they are already producing 26.8% of its electricity with renewable energy resources.
3. In 2015, the State Legislature established the Renewable Portfolio Standard of 100% by the year 2045. This means that by the year 2045, 100% of the electricity the utilities sell must be produced using renewable energy resources. This was a game-changing, landmark decision that created a huge demand for renewable energy projects across the State.

*Complex
Processes*

In spite of these compelling reasons to support renewable energy, the presenter cautioned that in reality, engaging in renewable energy development involves complex and independent processes, including:

1. HECO's Request for Proposals (RFP) requirements
2. DHHL's requirements to lease land for renewable energy
3. DHHL's long-term land disposition requirements
4. Developer financing
5. Government tax credits

*Major
Players*

To further illustrate the complexity involved in developing renewable energy, the presenter identified three (3) entities and their respective interests.

*The
Utility*

1. The utility (HECO) controls the market because they are the only entity that will buy power from the renewable energy producers. Their goal is to purchase renewable energy at a low, fixed price.

*Energy
Producers*

2. Renewable energy producers have the technology to produce renewable energy, but they need the energy resource and they need the utility to buy the energy they produce. They need exclusive access to an abundant renewable energy resource, which means that they need developable land in the right location. In order to utilize their technology, they need to secure a PPA from HECO.

Landowners

3. Large landowners can give energy producers the site control they require. Landowners are looking for a viable energy producer that will give them a high lease rent while still remaining competitively priced to ensure that it is selected by HECO for a PPA.

*Private
Lands*

Private landowners can be flexible. They can render decisions and respond quickly to accommodate the needs of the renewable energy producer.

*Public
Lands*

For Public landowners, like DHHL, land decisions are made by a Board or Commission, governed by statutes and rules that mandate a competitive, transparent, and public process that requires more time to complete.

In consideration of all the requirements that must be completed before DHHL issues a long-term General Lease, we decided to start our process earlier. It is DHHL's goal to complete the requirements to award a land disposition before HECO releases its Phase 2 RFP sometime in May or June 2019.

*Innergex's
Next Steps*

The presenter outlined the work that Innergex needs to complete to secure a PPA from HECO. In addition, before the long-term General Lease is executed, Innergex needs to complete the Chapter 343, HRS, environmental review process.

Summary of Beneficiary Comments and Questions

Consultation meetings with beneficiaries provide valuable insight and information on the issues that the developer and the Department should address. With conventional development projects, this kind of insight often comes too late in the planning and development process when plans have been drawn and there is no room for adjustments. By consulting with our beneficiaries early in the process, issues can be identified and addressed in due diligence studies.

This section of the report provides a summary of beneficiary concerns raised during the meeting. **Exhibit E** is a complete record of beneficiary comments, questions, and DHHL and Innergex responses to the questions.

1. Beneficiaries are interested in direct benefits.

Beneficiaries wanted to know if they could get solar panels through Innergex. Innergex explained that they are helping HECO to achieve their renewable energy goals. They do not provide solar panels for individual homes. Further, if they were able to secure a PPA with HECO, it would not necessarily result in the lowering of their monthly electric bill. Innergex explained that over the long-term, bills would go down and we will not experience big spikes in our electric bills as has been the case when the price of our electricity was pegged to the price of oil.

During the discussion, the option of Community-Based Renewable Energy or Community Solar received a lot of attention and interest. Beneficiaries wanted more information about this option and they wanted to know if Community Solar was better than constructing solar panels on their roofs. Innergex explained that HECO is beginning to explore Community Solar, noting that one pilot project will be on DHHL land in Kalaeloa. Community solar is for people who live in apartment buildings, who don't own a rooftop, or have rooftops that are in need of repair. If you don't have a roof, you can purchase solar panels in the Community Solar project. You receive a credit on your electric bill based on how much you invested in the community solar project.

2. The financial offer needs to be increased.

Beneficiaries felt that Innergex should pay more in terms of lease rent and community benefits, considering the amount of land they are requesting. One beneficiary asked if the Innergex would provide other benefits, like infrastructure. Another beneficiary wanted to know how the Innergex offer compared to what other landowners were getting from other renewable energy companies. Another beneficiary wanted to know, beside the Department and the Kapolei Heritage Center, if any other organizations or schools would benefit from the project.

3. Give us an example of how Innergex works with communities.

Innergex explained that with First Nations, they get to the know the community. They work out a plan on how they can work together. They may bring in volunteers to help the community with their projects. Chair Masagatani felt this

was an important question and requested that Innergex submit a written response.

Subsequent to the Beneficiary Consultation meeting, Innergex sent an email that explained that each First Nation has its own rules and process. In that way, Innergex's process for community engagement depends on the rules and process required by the Nation, and whether or not they are partnering or entering into a participation agreement. Some nations have specific mandates with steps that you need to navigate. Innergex noted that if a Nation does not have procedures in place, the process is more fluid, and relationship-based.

In their written response, Innergex provided a link to a 3-minute video that explained how renewable energy development is consistent with their cultural values. Through interviews on the video, it explained that the tribe was embracing new technology involved in renewable energy development, while also retaining their cultural values—and in this way, they looked forward to a brighter future. The video can be found at: <https://www.innergex.com/sites//kwoiek-creek/>

4. More informational meetings.

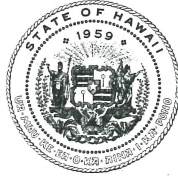
One beneficiary wanted more informational meetings to answer everyone's questions. He noted that he was only hearing from the people who are selling solar systems. He wanted information about what is available from someone who is not trying to sell us anything.

RECOMMENDATION:

Staff respectfully requests the Commission's approval of the Recommended Action.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879
HONOLULU, HAWAII 96805

March 4, 2019

Aloha!

The Department of Hawaiian Home Lands (DHHL) is considering issuing a long-term General Lease at Kalaeloa (see map) to Innergex Renewables USA LLC to develop a 20-megawatt solar energy project which may also include a battery storage component. We want to inform beneficiaries and get input on the proposed project. We are inviting all lessees and applicants who reside in the Kapolei (96707) zip code area to attend the scheduled Beneficiary Consultation meeting:

BENEFICIARY CONSULTATION MEETING
ON INNERGEX'S PROPOSED SOLAR ENERGY PROJECT AT KALAELOA
KAPOLEI MIDDLE SCHOOL CAFETERIA
THURSDAY, MARCH 21, 2019
6:00 p.m. to 8:00 p.m.

The Consultation meeting will clarify DHHL requirements for renewable energy development, including the process and timeframe involved in awarding a General Lease. Innergex representatives will explain their proposed solar energy project. Most of the meeting will focus on responding to beneficiary questions and ensuring an accurate record of beneficiary comments. Written comments may also be submitted after the meeting, no later than Friday, April 5, 2019 via email to: dhhl.planning@hawaii.gov.

Staff will prepare a Beneficiary Consultation Report that will compile the input received and will submit the Report to the Hawaiian Homes Commission at its regular meeting in April 2019. In June 2019, two Public Hearings will be held to hear concerns from the General Public, including beneficiaries. The Commission can take action on Innergex's long-term General Lease upon completion of the Public Hearings. These steps leading up to the General Lease and requirements of the General Lease will be explained at the Beneficiary Consultation meeting.

For these reasons, I look forward to your participation at the Beneficiary Consultation meeting.

Aloha,

Jobie M.K. Masagatani
Chairman, Hawaiian Homes Commission

EXHIBIT B

List of Beneficiary Participants
Beneficiary Consultation Meeting
Innergex Solar Energy Project at Kalaeloa
March 21, 2019

1	Scott	Abrigo
2	Reiann	Hyatt
3	Kehau	Naeole
4	Kaulana	Pakele
5	Lisa	Pakele
6	PeeWee	Ryan
7	Luke	Solatorio
8	Evelyn	Souza
9	Franklin	Souza
10	Shirley	Swinney
11	Victoria KC	Yuen

Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project

Kapolei Middle School
Thursday, March 21, 2019
6:00 pm–8:00 pm

Purpose and Agenda

1. Share Information on Renewable Energy and DHHL
 - Why/How is DHHL involved in Renewable Energy?
 - Why Kalaeloa?
 - Why Now?
2. Innergex will Present their Proposed Kalaeloa Solar Project
3. Beneficiary Comments, Concerns, Answer Questions
4. Next Steps:
 - How to Submit Comments
 - Deadline for Comments
 - Public Hearings in June

How to Submit Comments

1. Participate in tonight's meeting—we are taking notes.
2. Purple Half-Sheets--Write your comments/concerns on the half-sheet blanks and leave it at the registration table.
3. You can think about it and submit written comments later.

The deadline for comments is Friday April 5, 2019 (2 weeks)

Written comments can be:

- Dropped off with the Receptionist
- Emailed to the Planning Office at: DHHL.Planning@hawaii.gov
- Mailed to: DHHL Planning Office
P.O. Box 1879
Honolulu, HI 96805

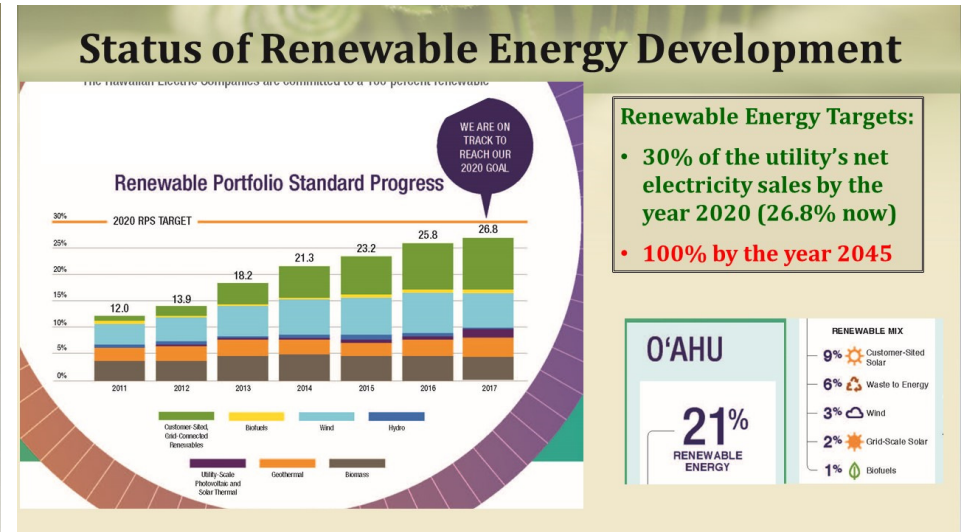
Info. on the 2019 solicitation-- <http://dhhl.hawaii.gov/procurement/>
Beneficiary Consultation page on our website: www.Hawaii.gov/dhhl

DHHL Kalaeloa Lands, Honouliuli Ahupua'a



- DHHL Land at Kalaeloa = 555 acres
- Land Use Designation = Industrial
- Blue area--location of existing Kalaeloa Solar Two Project:
 - 5 MW; began operations January 2015; lease rent \$374,000/year
- Current focus on East Kalaeloa parcels (yellow)

Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project



Why is DHHL Interested in Developing Renewable Energy at Kalaeloa?

- With the goal of 100% renewable energy by 2045, there is a need and demand for renewable energy.
- The parcels at Kalaeloa have qualities that Solar companies look for: level of direct solar radiation; access to existing transmission and distribution infrastructure; south facing exposure; flat land; area free of shading from mountains, buildings or trees.
- DHHL's Energy Policy – Ho'omalūō supports renewable energy
- Revenue can be used for homestead projects; community benefits go directly to the homestead community

How Do We Get On-Board?

Complex and Independent Processes:

- HECO's RFP Process
- PUC has to Approve Everything
- DHHL's Normal Land Disposition Process
- DHHL's Process to Lease Land for Renewable Energy Development
- Developer's planning, design, financing, use of tax credits
- Homestead Community Projects

Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project

MAJOR PLAYERS	ROLE/FUNCTION
1. The Utility -HECO, MECO, HELCO <ul style="list-style-type: none"> Secure renewable energy resource Low, Fixed price 	<ul style="list-style-type: none"> Goal: secure low rate for the Power Purchase Agreements (PPAs)— the producer agrees to produce the energy and the utility agrees to buy it at a certain rate. Process: [11-months] <ol style="list-style-type: none"> HECO releases RFP Renewable Energy producers submit proposals. HECO selects short list of companies Companies make Best and Final Offer HECO negotiates PPA PPA to PUC for approval HECO Phase 2 RFPs: May/June 2019
2. Renewable Energy Producers <ul style="list-style-type: none"> Long-term PPA Land/Resource 	<ul style="list-style-type: none"> Plan, design, finance, construct, own, operate and maintain a renewable energy facility that generates and dispatches energy to HECO. They need land for their facility They need renewable energy resource
3. Large Landowners (private and public) <ul style="list-style-type: none"> High Lease Rent Without pricing out of the market 	<ul style="list-style-type: none"> Private landowner—can sell, lease or give land to any renewable energy producer Public landowner (State DHHL): General Lease lands for renewable energy development pursuant to Chapter 171-95.3, HRS. <ul style="list-style-type: none"> Required to notify other renewable energy producers so they can submit a proposal. Required to conduct 2 Public Hearings on island Action taken on the project must be on island Use of state lands require Chapter 343, HRS compliance (Environmental Assessment) <p>**Our process requires more time—so we're trying to get in front of it.</p>

What Have We Done So Far?

- HHC Approval for the 2019 Solicitation Process
- Published a Solicitation for Renewable Energy Development Proposals for Kahikinui, Maui and Kalaeloa, O'ahu.
- Received Four (4) Applications to Develop Solar Energy at the two Kalaeloa parcels.
- A Committee Reviewed and Scored the Proposals. One was disqualified.
- **Innergex Renewables USA LLC was selected****
- Beneficiary Consultation Meeting.

What Do We Still Need to Do?

- I. For Innergex to Develop the Project
 - They need time on the land to do their studies.
 - Accurate site information will provide more accurate cost estimates.
 - They need to get a PPA from HECO
 - The use of State lands require an EA/EIS which has to be completed before entering into a long-term land agreement.
- II. For DHHL to Lease the Land to Innergex
 - Negotiate Final Terms of the Agreement
 - Conduct 2 Public Hearings on Island - June
 - Commission Approval on Island
- III. Approve Land Disposition
 - Right-of-Entry (ROE): 2 years, option to extend (3) 1-year periods
 - Date of Construction-New terms
 - Innergex asking for a 25-year term to start when the project can deliver energy to the power grid and extensions to match the PPA extensions

The Proposed Project

WHO:

- Innergex Renewables USA LLC
- Wholly-owned subsidiary of Innergex Renewable Energy, Inc., a publicly-traded \$1.39 billion Canadian corp.
- Same developer that received final award under HECO's 2018 RFP for 15MW solar project in Ulupalakua, Maui and 30MW in Waimea, Hawai'i Island

The Proposed Project (Cont'd.)

WHAT?

- Construction of a 20MW solar energy project
- High-efficiency PV panels on single-axis trackers
- May include battery storage

WHY?

- On O'ahu, HECO still requires about 160,000 MWhrs (roughly 60 MW) in renewable energy generation to meet its 2022 power needs.

The Proposed Project (Cont'd.)

WHERE?

- Exact location to be determined in due diligence and investigation period during ROE:

HOW MUCH LAND IS NEEDED?

- Less than 100 acres (out of the combined total of 147 acres)
- Actual land for solar panels about 67% (67 acres) with remainder for access and security

WHEN?

- Due diligence and investigation period - 2 Years
- Option to extend ROE for three one-year periods
- Project completion and operation by December 2022
- Innergex requesting a 25-year lease term from the date that the solar project can deliver energy to the power grid and extensions to match the HECO PPA.

The Proposed Project (Cont'd.)

FINANCIAL OFFER:

- [Redacted]
- [Redacted]
- [Redacted]

Confidential

The Proposed Project (Cont'd.)

FINANCIAL OFFER: (Cont'd.)

- [Redacted]

Confidential

NEXT STEPS

- **Negotiate final ROE and General Lease terms**
- **April 15-16 HHC Meeting**
 - **Beneficiary Consultation Report**
- **June**
 - **Conduct (2) Public Hearings on Maui**
 - **Conduct (2) Public Hearings on O'ahu (notices will be in the newspaper)**
 - **Decision-making by HHC**



INNERGEX RENEWABLE ENERGY INC.

Founded in 1990, Innergex Renewable Energy Inc. is a Canadian corporation which develops, acquires, owns and operates run-of-river hydroelectric facilities, wind farms, solar farms and geothermal plants.

Pure play in the renewable energy industry

Innergex conducts operations in Canada, France, the United States, Chile and Iceland.

Head Office in Longueuil, Québec



INNERGEX

OUR MISSION

Our mission is to increase our production of renewable energy by developing and operating high-quality facilities while respecting the environment and balancing the best interests of the host communities, our partners and our investors.



INNERGEX



A SUSTAINABLE BUSINESS MODEL

We strive for a sustainable approach in all aspects of our business: the energy we produce, the contribution we make to local communities, the revenue we generate and the returns we provide to investors.

Social Acceptance

1

Projects and socio-economic benefits for the communities and our partners

Respect for the Environment

2

Avoid, minimize, mitigate or compensate for any impact on the surrounding ecosystem

Corporate Profitability

3

Stability and growth of dividends to holders of common shares

Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project



INNERGEX VALUES

Integrity

1

Transparency

2

Responsibility


3

Collaboration


4



INNERGEX



INNERGEX FACILITIES



73

facilities in operation and in development

A global company with presence and expertise in five countries and two continents

LEGEND

Wind in operation

Wind in development

Solar in operation


Solar in development

Hydro in operation


Hydro in development

Geothermal in operation


INNERGEX




INNERGEX SOLAR ASSETS




Spartan in Michigan, USA



Stardale in Ontario, Canada



Pampa Elvira in Atacama, Chile



Kokomo in Indiana, USA

Site	Acquisition or Commissioning	Innergex Participation (%)	Gross Capacity (MW)	Region
Kokomo	2018	90.0	7.0	USA
Pampa Elvira	2018	27.5	34.0	Chile
Phoebe	2019	100.0	315.0	USA
Spartan	2018	100.0	13.5	USA
Stardale	2012	100.0	33.2	Canada



COMMITTED TO THE ENVIRONMENT

Innergex recognizes that our projects must be operated in a manner that mitigates or offsets for environmental impacts

Commitment to producing exclusively renewable energy

Continuous improvement of assessment, monitoring and compliance practices

Respect of the natural environment from the conception of a project through its life cycle

INNERGEX

Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project

COMMITTED TO THE ENVIRONMENT



- 1 Low impact on environment compared to other forms of energy generation
- 2 Virtually emissions-free
- 3 No significant impact to surrounding ecosystems
- 4 Offsetting potential greenhouse gas production from carbon-based power plants



INNERGEX

A COMMITTED PARTNER



Innergex acknowledges its responsibility to the host territories of its projects and participates in their socio-economic development



- Opportunities for local businesses
- Job creation
- Economic benefits
- Community Benefits

INNERGEX

FIRST NATIONS PARTNERSHIPS

Innergex has gained a reputation as a partner of choice for First Nations seeking to develop business opportunities in the renewable energy sector.

Our development model with neighbor communities is based on:

- Sharing information,
- Understanding local issues and concerns
- Community benefits and education.

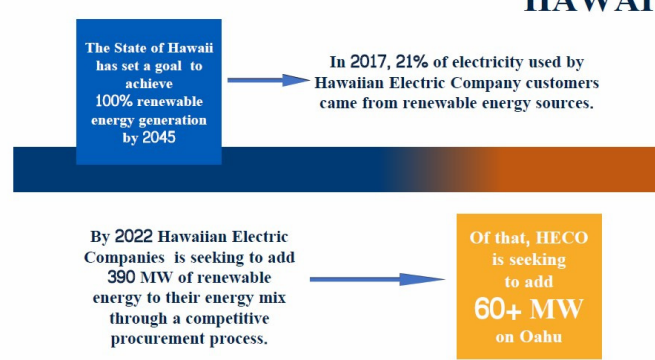
Four operating facilities with local communities or First Nations.

“We trust that Innergex will work within our traditional territory in a manner respectful of the environment, our culture and our constitutional aboriginal rights, titles and interest.”

Chief Stanley Thomas, Saik’uz First Nation, BC.

INNERGEX

RENEWABLE ENERGY IN HAWAII



The State of Hawaii has set a goal to achieve 100% renewable energy generation by 2045

→ In 2017, 21% of electricity used by Hawaiian Electric Company customers came from renewable energy sources.

By 2022 Hawaiian Electric Companies is seeking to add 390 MW of renewable energy to their energy mix through a competitive procurement process.

→ Of that, HECO is seeking to add **60+ MW** on Oahu

INNERGEX

Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project


COMPONENTS

Solar Panel



High efficiency panels that are 400+ watts provide optimal energy production and minimize the footprint of the solar project

Solar Single-Axis Trackers



Increase energy output by 10-20% compared to fixed tilt foundations and have proven reliability under severe weather conditions

Battery Storage



Lithium-ion battery storage improves grid resiliency with major benefits such as load shifting to deliver power when it is needed most

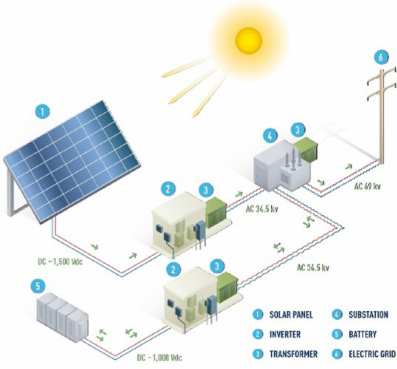
INNERGEX

SOLAR PHOTOVOLTAIC ENGINEERING

Photovoltaic solar panels collect energy from the sun to generate electricity.

The power generated can either charge the batteries or send power to the main grid.

The batteries charge from the solar array during daylight hours and send power to the grid when it needs it most, day or night.



1 SOLAR PANEL 2 INVERTER 3 TRANSFORMER 4 SUBSTATION 5 BATTERY 6 ELECTRIC GRID

HECO IDENTIFIED BENEFITS

Fixed Price Contract

The Unit Price, as defined in the PPA, is advantageous in that it is fixed for the duration of the PPA and is anticipated to result in lower effective rates for customers.

Consumer Savings

A typical HECO customer consuming 500 kWh per month could save approximately \$2.78 in 2022 and \$3.90 in 2023 on the customer's monthly electric bill.

Operational Flexibility

HECO will have the contractual flexibility to dispatch energy from the Project's PV or battery storage system as needed, offset night-time customer demand, and assist in grid stabilization subject to discharge limits.

INNERGEX

BENEFITS

We have three community benefit strategies for sharing benefits with the local community that reflect the economics of the Project.

Local supplier procurement and employment

Contribution to the Community

Community event sponsorships and participation



INNERGEX

Beneficiary Consultation Meeting on the Proposed Innergex Kalaeloa Solar Project

COMMUNITY BENEFITS PROPOSED

The Kapolei Heritage Center



- Estimated \$35,000/year during 25-year lease term to be designated for the Kapolei Community Development Corporation **Heritage Center** starting in 2023.
- Preliminary discussions with KCDC indicate this could cover the Center's annual utility and maintenance fees.
- Community education related to energy savings opportunities, job training and subcontracting opportunities with HALE and its program vendors & consultants.
- Volunteer support for the building of the Halau Center.

INNERGEX



HAWAIIAN HOME LANDS
HAWAIIAN HOMES COMMISSION • DEPARTMENT OF HAWAIIAN HOME LANDS

**Submit comments, concerns or questions by
Friday, April 5, 2019
via email to
dhh1.planning@hawaii.gov**

**These will be incorporated into the beneficiary
consultation report presented to the HHC at its
regularly-scheduled meeting in April
Mahalo!**



SUSTAINABLE
BUSINESS MODEL

1.
- Social acceptance of projects and socioeconomic benefits for the communities and partners.
2.
- Respect for the environment to avoid, minimize, mitigate or compensate for any impact on the surrounding ecosystem.
3.
- Corporate profitability to ensure stability and growth of dividends to holders of common shares.

MISSION
Our mission is to increase our production of renewable energy by developing and operating high quality facilities while respecting the environment and balancing the best interests of the host communities, our partners, and our investors.

STRATEGY
Our strategy for building shareholder value is to develop or acquire high-quality facilities that generate sustainable cash flows and provide an attractive risk-adjusted return on invested capital, and to distribute a stable dividend.

GROWTH
Our growth is solidly rooted in a long-term vision and strict adherence to our mission and our values. Going forward, our time-tested approach will continue to guide us in achieving our vision of providing renewable energy for a sustainable future.

PARTNER
Our ability to understand and adapt to each community's individual needs has been a hallmark of how we approach each project. Whether it be through shared economic benefits, employment opportunities, shared ownership, partnership agreements, or community investment, we recognize our responsibility and opportunity to help bring socio-economic development to rural and First Nation communities.

VALUES
Conscientious innovators who are respectful of their partners, the members of the Innergex team champion fundamental values that earn them the respect of the partners and the communities that host their projects. Our relationships with local communities are based on core values of transparency, integrity, responsibility, and collaboration.

INNERGEX
RENEWABLE ENERGY
IS LISTED ON
THE TORONTO
STOCK EXCHANGE

CommonShares (TSX: INE)¹ – annual dividend of \$0.68 per share
Series A Preferred Shares (INE.PR.A) – annual dividend of \$0.902 per share
Series C Preferred Shares (INE.PR.C) – annual dividend of \$1.4375 per share
Convertible Debenture (INE.DB.A) – annual coupon of 4.25%

¹ Part of the S&P/TSX Composite Index, as well as several other S&P/TSX subindices.

INNERGEX CREDIT RATINGS

Rating Service	Rating	Credit ratings
STANDARD & POOR'S	BBB-	

LONGUEUIL (Head Office)
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Longueuil, Québec J4K 0B9
Tel. 450 928-2550 Fax 450 928-2544
info@innergex.com

REGIONAL OFFICES
Lyon, France
San Diego, USA
Vancouver, Canada

INNERGEX
Renewable Energy.
Sustainable Development.

GLOBAL
OVERVIEW

UPDATE: FEBRUARY 6, 2019

INNERGEX
Renewable Energy.
Sustainable Development.

Innergex Renewable Energy Inc.
is a leading independent renewable power producer active since 1990. We develop, acquire, own, and operate quality installations, namely run-of-river hydroelectric facilities, wind farms, solar photovoltaic farms and geothermal facilities.

Our gross installed capacity is more than 3,000 MW (more than 2,091 MW net).

Our portfolio of assets consists of 68 operating facilities, 2 projects under construction, and numerous prospective projects at different stages of development.


We have operations throughout Canada, United States, France, Chile and Iceland and our growth is powered by our many prospective projects and acquisitions.


The total enterprise value is \$5.7 billion¹.


¹ All financial data are in Canadian Dollars.


INNERGEX FACILITIES

IN OPERATION
2,091 / 3,072 MW
(net¹ / gross capacity)

 **37 hydro facilities** (796 / 1,181 MW)

 **25 wind farms** (1,139 / 1,629 MW)


 **4 solar farms** (62 / 88 MW_{DC})


 **2 geothermal facilities** (94 / 174 MW)


68 facilities


¹ Net capacity represents the proportional share of the total capacity attributable to Innergex based on its ownership interest in each facility.

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UNDER DEVELOPMENT

719/800 MW
(net/gross capacity)

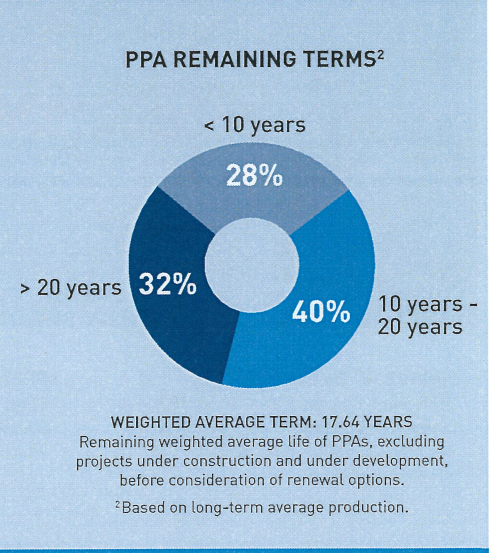
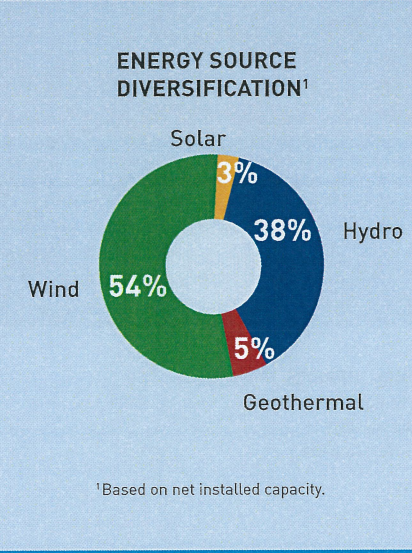
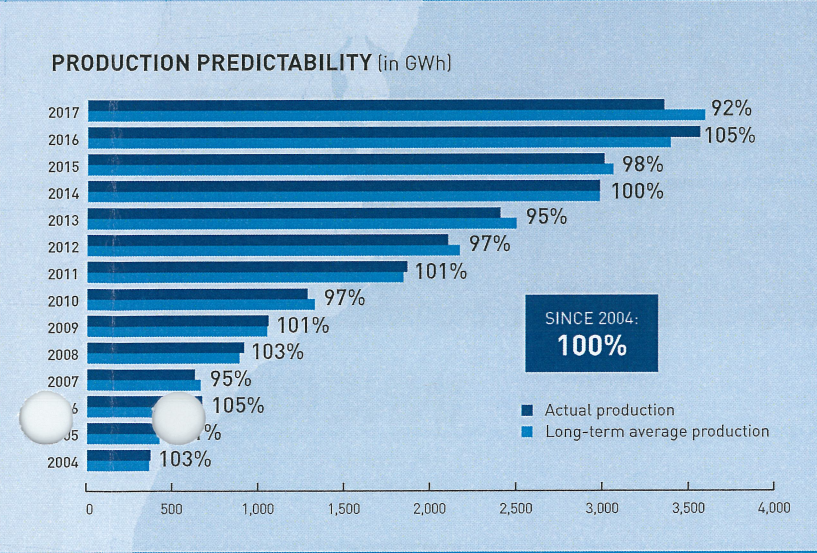
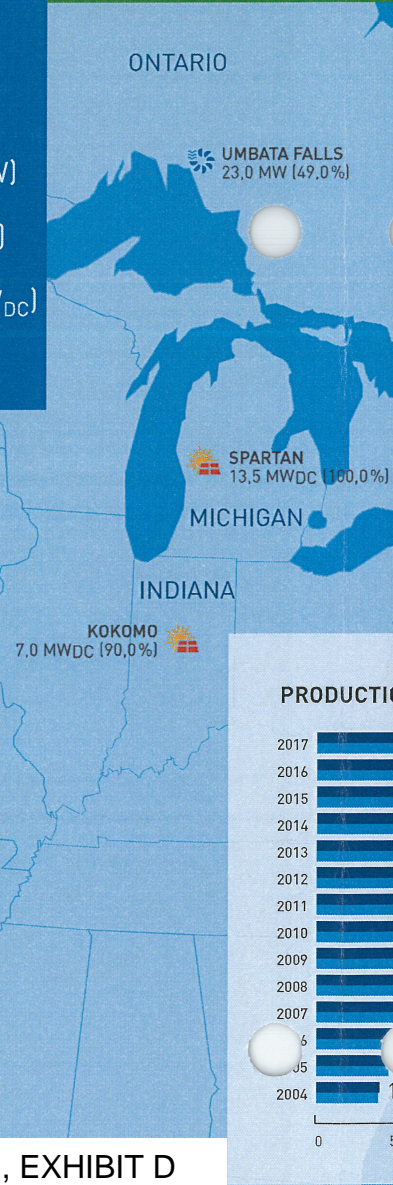
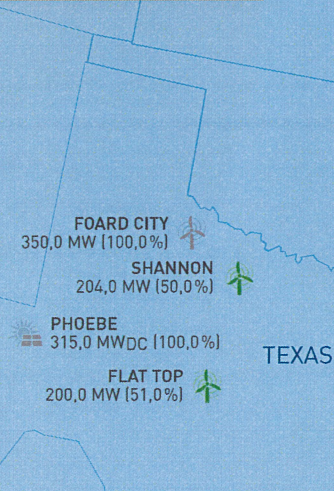
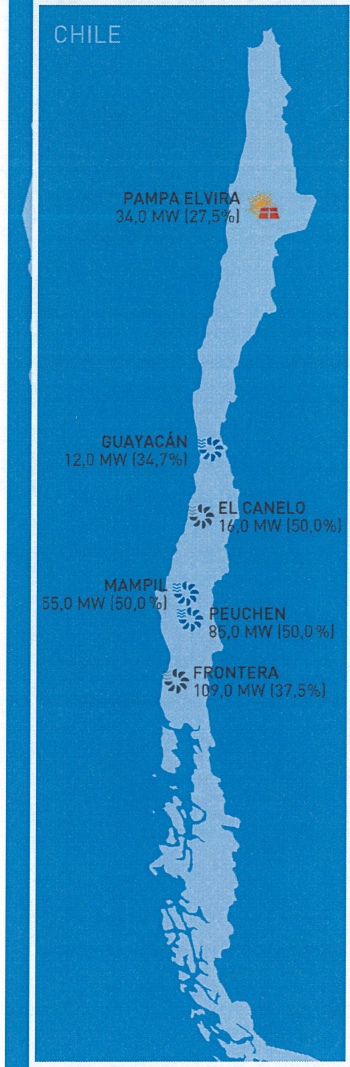
- 3 hydro projects (54/135 MW)
- 1 wind project (350/350 MW)
- 1 solar project (315/315 MW_{DC})

UNDER DEVELOPMENT

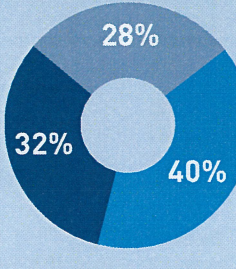
719/800 MW
(net/gross capacity)

- 3 hydro projects (54/135 MW)
- 1 wind project (350/350 MW)
- 1 solar project (315/315 MW_{DC})

**MORE THAN
8,500 NET MW
IN PROSPECTIVE
PROJECTS**



PPA REMAINING TERMS²



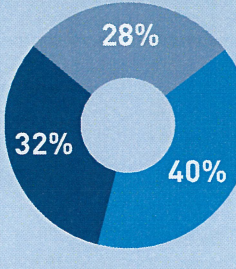
Term Range	Percentage
< 10 years	28%
10 years - 20 years	40%
> 20 years	32%

WEIGHTED AVERAGE TERM: 17.64 YEARS

Remaining weighted average life of PPAs, excluding projects under construction and under development, before consideration of renewal options.

²Based on long-term average production.

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EXHIBIT E
Beneficiary Comments, Questions and Responses by Subject
Beneficiary Consultation on Innergex's Solar Energy Project at Kalaeloa
Kapolei Middle School
March 21, 2019
6:00 p.m. to 8:00 p.m.

QUESTION OR COMMENT	RESPONSE
During construction, is the land under a Right-of-Entry or a General Lease?	It would be under a General Lease at the time construction begins.
<p>Can you give us an example of how Innergex works with communities?</p> <p>DHHL: Chair Masagatani requested that Innergex respond to this question in writing so it could be included in the Beneficiary Consultation Report. She wants to be able to say specifically what their process is when engaging community.</p>	<p>Innergex: How they work with First Nations-- They get to know the community. They work out a plan on how they can work together. They may bring in volunteers to help the community with their projects.</p> <p>In response to the Chair's request, Innergex explained in an email that each nation has its own rules and process. The process for community engagement depends on the nation and whether or not they are partnering (co-ownership) or entering into a participation agreement. Some nations have specific procedural mandates with steps that you need to navigate. Others have no procedures where the process is fluid and relationship based. There are no general mandates.</p>
Is this project just to create revenue for the Department? Can we purchase a PV system to go into the project?	Innergex: we're just trying to help HECO meet their renewable energy goals. HECO is limiting rooftop solar and is requiring battery storage. Helps community at large. Payment to DHHL, payment to KHC.
I got a system through Sunrun and now I have to buy the energy through SunRun. How will your project benefit us?	Innergex: It might not benefit lessees that already have a PV system. HECO is in the process of changing the mix of energy. Over time, the power bill will go down and we won't see if fluctuate with price of oil.
I want to have more informational meetings to answer everyone's questions. I'm only hearing from the people who are selling solar systems. We need information about what is available from someone who is not trying to sell us anything.	
You're requesting a General Lease now, but that will come to an end. Will we be able to benefit from this project?	If you're plugged into the grid, you will still benefit. You could also plug into the Community Based Renewable Energy (Community Solar) program. The benefit is power that is not generated from oil.

QUESTION OR COMMENT	RESPONSE
On your financial offer for the General Lease, is this the maximum amount that you are offering for this much land? How do the other areas compare with this? What kinds of benefits do the beneficiaries get? The State is benefitting. Beside KCDC, are the schools going to benefit directly from solar power?	
It's a large parcel of land – we need to get a higher price so we can take 10,000 people off the waitlist, into a hale. We're paying electric bills, or we have a solar lease that has a balloon payment after 7 years of lease payments. We're looking for a company that will locate on Hawaiian Home Lands and will benefit the homesteaders. Maybe Community Solar can do that?	
Can Community Solar benefit lessees individually? The benefit is not just about revenue going to DHHL. Can we go through your company individually to get electricity?	HECO is experimenting with Community Solar-- there will be two in this area—and one of them is on Hawaiian Home Lands. But HECO is limiting it. The PUC won't allow us to do that.
Please explain what Community Solar is.	<p>Innergex: Community Solar is an opportunity for people-- who don't own a roof, or who have a roof that needs repair, or are renting, or live in an apartment building—to buy solar panels. They are buying the energy that is produced from those panels, but at a wholesale price of 50%. You get a reduction by half of your cost.</p> <p>For a regular solar project--if the solar panels are on your roof, you get 100% of the benefit, but it will take 10-12 years to pay it off.</p>
	<p>DHHL: HECO is developing a 1.5MW Community Based Renewable Energy (Community Solar) project at the end of the runway at Kalaeloa. People who buy into the project would get a credit on their bill. This is good for people who live the valleys, where there's too much shade, so you can't have panels. The project will probably accommodate 1,500 homes. Projects on HHLs will offer lessees the first chance to invest. The project could submit a proposal in HECO's Phase II RFP that would expand the project.</p>
How much do you have to pay to buy a panel?	I'm not sure.
In comparison to what you are offering, and the CBRE project, which is the better deal for us?	
With the monies paying for the lease, is that the only benefit to the DHHL? What are other benefits, like infrastructure?	

QUESTION OR COMMENT	RESPONSE
I don't know what a solar farm will look like. I know what panels look like.	Go down to PASHA, take a look in Kalaeloa at the project that's there.
Main benefit is to generate revenue to DHHL?	Yes, and funding to Kapolei Heritage Center.